**Setting up of ultra mega power porojects**

2052. SHRI EKANATH K. THAKUR: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that trouble is brewing for at least three ultra mega power projects;

(b) whether it is also a fact that the Tadri project in Karnataka may have to be dropped in the face of mounting opposition, the Bhasm project in Orissa is being kept in abeyance till the State Government evinces interest and in Tamil Nadu, the State and the Centre are yet to agree on the project site; and

(e) if so, the reasons therefor and the action proposed thereon?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) to (c) Ministry of Power through Power Finance Corporation is facilitating the Development of a few Ultra Mega Power Projects of 4000 MW capacity each under tariff based competitive bidding route through Shell Companies. 7 projects, one each in Madhya Pradesh, Gujarat, Andhra Pradesh, Orissa, Maharashtra, Karnataka and Chhattisgarh have been identified. In addition, Jharkhand andTamil Nadu have also made a request to locate an Ultra Mega Power Project in their States.

Development of Ultra Mega Power Project is contingent upon requisite confirmation with regard to availability of land and related clearances from the respective States. In this regard, in the sequence of preparedeness in respect of first two projects *i.e.* Sasan, Madhya Pradesh and Mundra, Gujarat, process of selection of successful bidder is to be completed by end to December, 2006. Another project where bidding process has been initiated relates to Krishnapatnam Ultra Mega Power Projects in Andhra Pradesh.

**Status of reforms in power sector**

2053. SHRI EKANATH K. THAKUR: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that although the distribution reforms in the power were ushered a decade ago, the neglect of management of distribution over a long period of time has led to the deterioration in the power sector;

(b) whether it is also a fact that twenty five States have formed Electricity Regulatory Commission but despite this, there has been no tariff revision for years in many States, which is why losses remain more or less unchanged even today; and

(c) if so, the steps Government propose to take to accelerate the arduous process of tariff reforms?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) to (c) The overall commercial losses of the utilities without subsidy after tax has reduced from Rs. 29,339 crores during 2001-02 to Rs. 22,126 crores during 2004-05. The losses of utilities as percentage of turn over have reduced significantly from 36.55% in 2001-02 to 20.70% in 2004-05. Billing efficiency and collection efficiency have improved and the AT&C losses have reduced as indicated below:

| Year | Billing Efficiency | Collection Efficiency | AT & CLoss |
|---|---|---|---|
| | (%) | (%) | (%) |
| 2001-02 | 67.25 | 90.91 | 38.86 |
| 2002-03 | 68.37 | 92.68 | 36.64 |
| 2003-04 | 68.80 | 94.80 | 34.78 |
| 2004-05 | 69.87 | 94.72 | 33.82 |

However, losses have increased in some of the States.

State Electricity Regulatory Commission (SERCs) have been Constituted in 25 States and as on October, 2006, 21 SERCs have issued the tariff orders. The position of tariff orders issued by various SERCs is given in the Statement (*See* below).

The Tariff Policy notified by the Government of India under Section 3 of the Electricity Act provides that the Appropriate Commissions should initiate tariff determination and regulatory scrutiny on a *suo moto* basis in case the licensee does not initiate filings in time. It is desirable that requisite tariff changes come into effect from the date of commencement of each financial year and any gap on account of delay in filing should be on account of licensee.

One of the objectives of the Policy is that the tariff should progressively reflects the cost of supply of electricity. The policy envisages that the

SERC would notify roadmap within six months with a target that latest by the end of year 2010-2011 tariffs are within ± 20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

***Statement***

*Status of tariff orders issued by SERCs*

| Name of SERC | Number of Tariff Order Passed since inception | Year of issue of latest Tariff Order |
|---|---|---|
| 1 | 2 | 3 |
| Andhra Pradesh | 07 | 2006 |
| Assam | 03 | 2006 |
| Bihar | 01 | 2006 |
| Chhattisgarh | 02 | 2006 |
| Delhi | 05 | 2006 |
| Gujarat | 03 | 2006 |
| Haryana | 05 | 2006 |
| Himachal Pradesh | 04 | 2006 |
| Jharkhand | 01 | 2004 |
| Karnataka | 05 | 2005 |
| Kerala | 04 | 2006 |
| Madhya Pradesh | 05 | 2006 |
| Maharashtra | 04 | 2006 |
| Orissa | 06 | 2005 |
| Punjab | 05 | 2006 |
| Rajasthan | 02 | 2004 |
| Tamil Nadu | 01 | 2003 |
| Tripura | 01 | 2005 |
| Uttar Pradesh | 05 | 2004 |
| Uttaranchal | 03 | 2006 |
| West Bengal | 04 | 2006 |